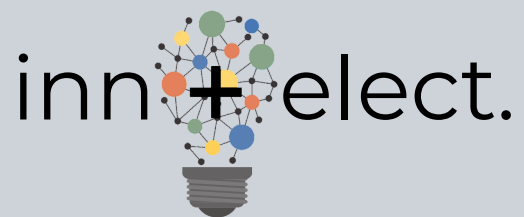


STRONGER THAN A HURRICANE

**KEEP THE LIGHTS (AND EVERYTHING ELSE) ON AND
REVENUE FLOWING DURING BLACKOUTS AND
NATURAL DISASTERS**

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MAJOR U.S. POWER OUTAGES

— Weather-Related — Non Weather-Related



Number of outages affecting more than 50k customers.
Source: U.S. Department of Energy Form OE-417

CLIMATE CENTRAL

Electricity is becoming more expensive, and more unreliable.

An ever-weakening power grid and ever-growing demand pushes the power infrastructure to the edge of collapse. Together with extreme weather-related disasters and even the possibility of domestic terrorism leave hotels vulnerable to shut-downs and loss of revenue.

This dilemma is made worse because hotels are often where people seek refuge when faced with power outages. When the power then fails at a sold-out hotel, perhaps a back-up generator gives temporary power to critical functions, but the hotel cannot adequately serve its guests, especially those with medical equipment requiring electricity.

This was the case in February 2021, when over 90,000 Central Texans lost power for more than 24 hours in sub-freezing temperatures.

Many sold-out hotels lost power, including the 83-room Hampton Inn in Temple, Texas. Guests were forced to shelter in their rooms while hotel staff could only distribute blankets and flashlights. In desperation, the hotel asked the community for donations to feed freezing and starving guests.

The immediate impact was the loss of revenue from guest refunds, which could easily reach \$10,000 or more per day and additional overtime labor costs. Longer-term ramifications include reputational risk and even expensive lawsuits that guests bring against the hotel.

POWER WHEN YOU NEED IT MOST.



Summer heatwave blackouts, speculated to be caused by global warming, are also increasing.

Summer 2022 will be remembered as the summer of rolling blackouts. In the Pacific Northwest, record-breaking temperatures melted power lines. Californians suffered through non-stop days of 100+ degree temperatures, more than 45 days in San Diego alone, pushing the grid to a record-breaking peak demand of 52,061 megawatts.

For hotel owners in California, losing power means losing a LOT of money. Of the top eleven markets in the U.S., as determined by Smith Travel Research (STR), four are in California; Los Angeles/Long Beach, San Francisco/San Mateo, San Diego and Anaheim/Santa Ana.

Obviously California boasts some of the highest RevPAR in the country as reported by STR. In August 2022, prime time for grid failure, the average Revenue per Available Room (RevPAR) for upscale hotels in Napa Valley was over \$320. A blackout in this period translates into a loss of \$48,000 each day without power at a 150-room hotel.

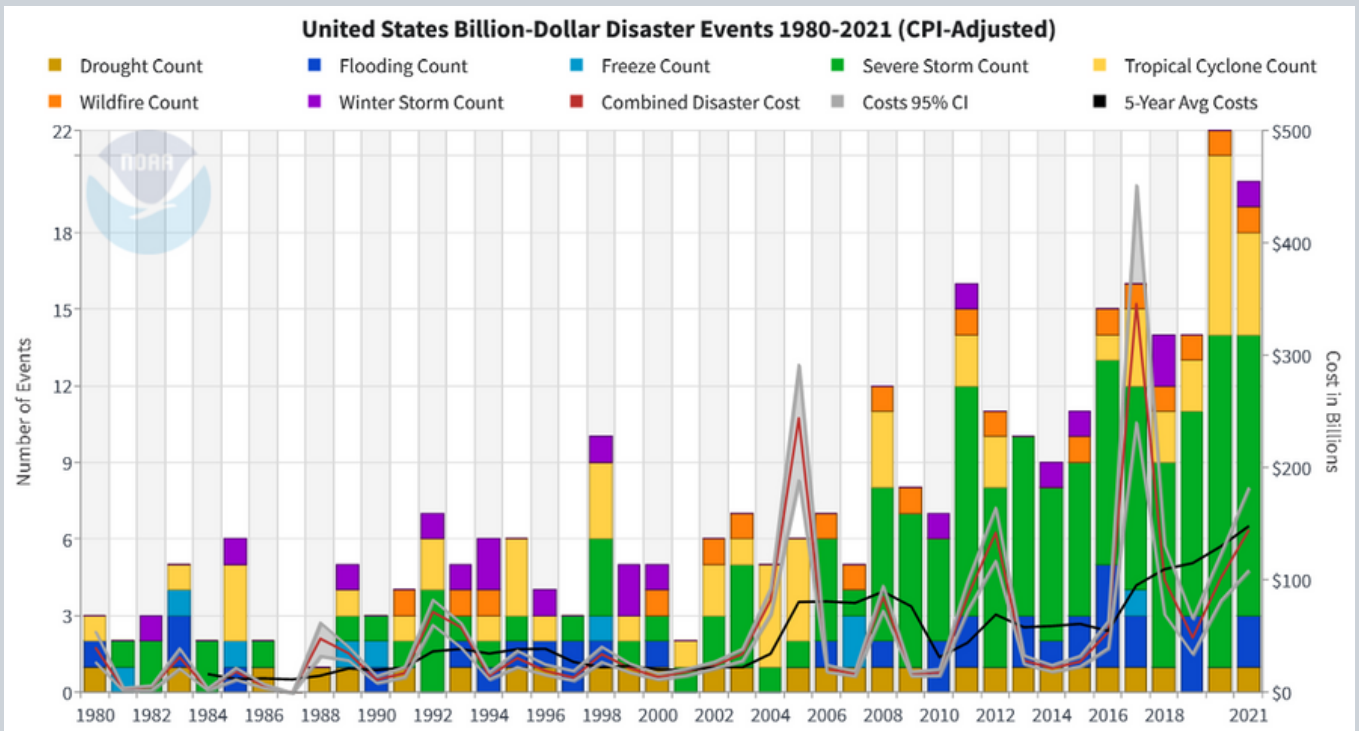
Worse yet are powerful hurricanes that destroy the grid and close hotels for weeks, or even months.

In 2017 FPL Chief Executive Eric Silagy commented that customers in some parts of Florida would not have power restored for weeks after Hurricane Irma, which left 6.5 million customers without power - the largest outage in the company's history

As hurricanes become stronger, their field of destruction becomes wider. Imagine a major hurricane making landfall in St. Augustine, Florida during Summer 2022, when beachfront hotels can easily reach a RevPAR of \$150, according to STR.

A 150-room hotel would lose over \$157,000 during a week-long power outage. However, a property having a micro turbine with Combined Heating & Power (CHP) system can stay open to host relief and utility workers at lucrative FEMA government rates.

The resiliency of micro turbines with CHP systems during major hurricanes has already been tested.



BILLION-DOLLAR NATURAL DISASTERS ARE INCREASINGLY COMMON IN THE UNITED STATES

In 2017 Hurricane Irma devastated the U.S. Virgin Islands as a Category 5 hurricane, destroying 90% of the island's power lines and 80% of its transformers. Forty days later the island remained in darkness, and some areas did not have power restored until January.

Except in St. Thomas, at the Margaritaville Vacation Club by Wyndham. At the off-grid property, a propane-fueled Capstone micro turbine system kept the lights on and food fresh so the guests could still enjoy a Cheeseburger in Paradise.

Between revenue that would otherwise be sacrificed during a loss of power and federal incentives, hotels in areas with weak power grids and/or prone to natural disasters, a micro turbine with CHP system has a very fast return-on-investment.

Hotel owners in California, the Pacific Northwest and New England benefit especially given the numerous state incentives available.

Federal incentives in Puerto Rico and the U.S. Virgin Islands also help make their hotels stronger than a hurricane.

Learn your return-on-investment from a micro turbine with CHP system, and get started on the path to resilient and reliant power for your hotel,

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